

104TH CONGRESS
1ST SESSION

H. R. 90

To appropriate 2 percent of Federal individual income tax revenues to the States to fight crime.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 1995

Mr. SENSENBRENNER introduced the following bill; which was referred to the Committee on Ways and Means and, in addition, to the Committees on the Judiciary, the Budget, and Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To appropriate 2 percent of Federal individual income tax revenues to the States to fight crime.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Tax Rebate to Fight
5 Crime Act”.

6 **SEC. 2. TRUST FUNDS TO FIGHT CRIME.**

7 (a) IN GENERAL.—There is hereby appropriated to
8 the Trust Fund To Fight Crime of each State for each
9 fiscal year an amount equal to 2 percent of the net Federal

1 individual income tax revenues for such fiscal year which
2 are attributable to residents of such State.

3 (b) TRUST FUND TO FIGHT CRIME.—For purposes
4 of this section, the term “Trust Fund To Fight Crime”
5 means any trust fund established by State law if the only
6 expenditures permitted to be made from such trust fund
7 are for—

8 (1) paying police officers, including salary, over-
9 time, and other personnel expenses,

10 (2) building and operating prisons,

11 (3) paying judges of courts handling criminal
12 cases, prosecutors, and public defenders, including
13 salary, overtime, and other personnel expenses, and

14 (4) paying the rebates described in subsection
15 (d) to taxpayers.

16 (c) DEFINITION OF NET FEDERAL INDIVIDUAL IN-
17 COME TAX REVENUES.—For purposes of this section, the
18 term “net Federal individual income tax revenues” means,
19 with respect to any fiscal year, the excess of—

20 (1) amounts received in the Treasury during
21 such fiscal from the taxes imposed on individuals
22 under chapters 1 and 24 of the Internal Revenue
23 Code of 1986, over

24 (2) amounts of such taxes which are credited or
25 refunded to taxpayers during such fiscal year.

1 (d) REBATES FROM STATE GOVERNMENTS TO
2 THEIR TAXPAYERS.—

3 (1) VOLUNTARY REBATES.—Amounts in the
4 Trust Fund To Fight Crime of any State may be re-
5 bated (with interest) at any time to the individuals
6 whose liabilities under chapters 1 and 24 of the In-
7 ternal Revenue Code of 1986 were taken into ac-
8 count in determining the appropriation of the
9 amount to be rebated. The amount rebated to any
10 individual shall be the amount equal to—

11 (A) the amount to be rebated, multiplied
12 by

13 (B) such individual's proportionate share
14 of such liabilities.

15 (2) MANDATORY REBATES.—

16 (A) IN GENERAL.—Amounts in the Trust
17 Fund To Fight Crime of any State shall be re-
18 bated if—

19 (i) such amounts are not spent for the
20 purposes referred to in paragraphs (1), (2)
21 and (3) of subsection (b) (or rebated under
22 paragraph (1) of this subsection) within
23 the 3-year period after the close of the fis-
24 cal year for which such amounts were ap-
25 propriated to such Trust Fund, or

1 (ii) such amounts are not spent for
2 such purposes (or rebated under paragraph
3 (1) of this subsection) within the 1-year
4 period after the close of the fiscal year for
5 which such amounts were appropriated to
6 such Trust Fund unless, before the close of
7 such 1-year period, the State has adopted
8 a plan on how to spend such amounts and
9 has spent at least 1/3 of such amounts for
10 such purposes.

11 In the case of amounts appropriated for the
12 first fiscal year beginning after the date of the
13 enactment of this Act, clause (ii) shall be ap-
14 plied by substituting “2-year period” for “1-
15 year period” each place it appears.

16 (B) REBATES.—Any amount required to
17 be rebated under this paragraph shall be paid
18 (with interest) to the individuals whose liabil-
19 ities under chapters 1 and 24 of the Internal
20 Revenue Code of 1986 were taken into account
21 in determining the appropriation of such
22 amount. The amount rebated to any individual
23 shall be the amount equal to—

24 (i) the amount required to be rebated,
25 multiplied by

1 (ii) such individual's proportionate
2 share of such liabilities.

3 (3) ORDERING RULE.—For purposes of this
4 subsection, expenditures from any Trust Fund To
5 Fight Crime and rebates shall be treated as being
6 made from deposits in the order in which made, be-
7 ginning with the earliest deposits.

8 (e) SPECIAL RULES.—For purposes of this section:

9 (1) TRANSFER OF AMOUNTS.—Amounts appro-
10 priated by this section shall be transferred at least
11 monthly from the general fund of the Treasury on
12 the basis of estimates made by the Secretary of the
13 Treasury of the amounts referred to in this section.
14 Proper adjustments shall be made in the amounts
15 subsequently transferred to the extent prior esti-
16 mates were in excess of or less than the amounts re-
17 quired to be transferred.

18 (2) RESIDENCE.—An individual shall be treated
19 as a resident of the State specified in the address
20 shown on the return of tax imposed by chapter 1 of
21 the Internal Revenue Code of 1986 (or, if no return
22 is filed, the address specified in the master files of
23 the Internal Revenue Service).

24 (3) INFORMATION TO ASSIST IN REBATES.—
25 Notwithstanding section 6103 of such Code, the Sec-

1 retary of the Treasury shall, upon request, provide
2 such information as the Secretary determines nec-
3 essary to pay the rebates under subsection (d).

4 (f) EFFECTIVE DATE.—The section shall apply to fis-
5 cal years beginning after the date of the enactment of this
6 Act.

7 **SEC. 3. CONFORMING REDUCTION IN DISCRETIONARY**
8 **SPENDING LIMITS.**

9 Upon enactment of this Act, the discretionary spend-
10 ing limits set forth in section 601(a)(2) of the Congres-
11 sional Budget Act of 1974 (as adjusted in conformance
12 with section 251 of the Balanced Budget and Emergency
13 Deficit Control Act of 1985 and, in the Senate, with sec-
14 tion 24 of House Concurrent Resolution 218 (103d Con-
15 gress)) are reduced as necessary to reflect the amounts
16 appropriated by this Act.

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